

HOUSE BILL REPORT

HB 1581

As Reported by House Committee On:
Transportation

Title: An act relating to vehicle licensing subagents.

Brief Description: Revising the authority of a vehicle licensing subagent to recommend a successor.

Sponsors: Representatives O'Brien, Schindler, Jarrett, Dunn, Woods, McCune, Wood, Ericksen and Rodne.

Brief History:

Committee Activity:

Transportation: 1/16/06, 2/6/06 [DPS].

Brief Summary of Substitute Bill

- Modifying the process for the appointment of a vehicle licensing subagent successor.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 22 members: Representatives Wallace, Vice Chair; Woods, Ranking Minority Member; Skinner, Assistant Ranking Minority Member; Buck, Campbell, Clibborn, Curtis, Dickerson, Ericksen, Hankins, Holmquist, Jarrett, Kilmer, Lovick, Morris, Nixon, Rodne, Schindler, Sells, Shabro, Simpson and B. Sullivan.

Minority Report: Do not pass. Signed by 7 members: Representatives Murray, Chair; Appleton, Flannigan, Hudgins, Takko, Upthegrove and Wood.

Staff: Teresa Berntsen (786-7301).

Background:

Under current law, the Department of Licensing (DOL) appoints county auditors to perform vehicle licensing services. The DOL may also appoint subagents within a county, under the recommendation of the county auditor. Currently there are 44 county and 135 subagent vehicle licensing offices throughout the state.

Subagents are appointed through an open, competitive process conducted by the county auditor. At a minimum, the process must include a written business proposal and oral

interview in order for the county auditor to determine the applicants' qualifications. The county auditor submits all subagent proposals to the Director of the DOL and recommends the appointment of one or more subagents. The Director of the DOL has the final appointment authority.

When a subagent resigns or retires, he/she may recommend a successor who is a sibling, spouse, child, or employee. This person must participate in the open, competitive process with any other applicants for the subagency appointment.

Summary of Substitute Bill:

The process for the appointment of a vehicle licensing subagent successor is modified as follows:

- (1) A subagent who is planning to retire within 12 months may recommend a successor without resigning by notifying the county auditor and the Department of Licensing (DOL) in writing.
- (2) The county auditor must let the subagent know within 60 days if the recommended successor would be considered in the open competitive process. The county auditor must outline any negative factors or deficiencies regarding the current subagency operation and/or the recommended successor.
- (3) The county auditor must give great weight to a recommended successor who has demonstrated the ability to operate a vehicle licensing office.
- (4) If the county auditor recommends someone other than the recommended successor to the DOL, the current subagent and the recommended successor may request a review of the county auditor's recommendation.

Substitute Bill Compared to Original Bill:

The original bill required the county auditor to forward the current subagent's recommended successor to the Director of the DOL, and required the Director to appoint the recommended successor if the person is otherwise qualified to be a subagent.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: Subagents make a considerable investment in their businesses and serve their community. This bill preserves the open competitive process, while giving the subagent a reasonable expectation that his/her recommended successor will be appointed. The bill provides for a seamless transition of a subagent successor and saves the state money on

training. The bill was worked on over the interim by various parties to make sure the language covers everyone's concerns.

Testimony Against: None.

Persons Testifying: Representative O'Brien, prime sponsor; Patrick McMahan Jr., McMahan License Agency; and Al Paulsen, George Cohee, and Jan Novak, Washington Association of Vehicle Subagents.

Persons Signed In To Testify But Not Testifying: None.